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| In the Matter of |) | No. G 01-28 |
| |) | |
| The Market Conduct Examination of |) | FINDINGS, CONCLUSIONS, |
| |) | AND ORDER ADOPTING REPORT |
| | | OF |
| | | MARKET CONDUCT EXAMINATION |
| Kansas City Life Insurance Company |) | |

A Foreign Insurer.

BACKGROUND

An examination of the market conduct of **Kansas City Life Insurance Company** (the Company) as of December 31, 1999, was conducted by examiners of the Washington Office of the Insurance Commissioner (OIC). The Company, domiciled in the state of Missouri, holds a Washington certificate of authority as a stock insurer. This examination was conducted in compliance with the laws and regulations of the state of Washington and in accordance with the procedures promulgated by the National Association of Insurance Commissioners and the OIC.

The examination report with the findings, instructions, and comments and recommendations was transmitted to the Company for its comments on February 5, 2001. The Company's response to the report is attached to this order only for the purpose of providing convenient review of the response.

The Commissioner or a designee has considered the report, the relevant portions of the examiners' work papers, and submissions by the Company.

Subject to the right of the Company to demand a hearing pursuant to Chapters 48.04 and 34.05 RCW, the Commissioner adopts the following findings, conclusions, and order.

FINDINGS

Findings in Examination Report. The Commissioner adopts as findings the findings of the examiners as contained in pages 3 through 15 of the report.

CONCLUSIONS

It is appropriate and in accordance with law to adopt the attached examination report as the final report of the market conduct examination of **Kansas City Life Insurance Company** and to order the Company to take the actions described in the Instructions section of the report. The Commissioner acknowledges that the Company may have implemented the Instructions prior to the date of this order. The Instructions in the report are an appropriate response to the matters found in the examination.

ORDER

The market conduct examination report as filed, attached hereto as Exhibit A, and incorporated by reference, is hereby ADOPTED as the final examination report.

The Company is ordered as follows, this being the Instructions contained in the examination report on page 13.

1. The Company is instructed to comply with all sections of the WA Replacement Regulations, WAC 284-23-400, et.seq, by:
 - a) Requiring application questions about replacement to be answered by the insured or policy owner. WAC 284-23-450(2)
 - b) Requiring the agent to answer applications questions designated for the agent. WAC 284-23-455(1)
 - c) Mailing notice of replacement to the existing insurer within three days of application receipt in the Company's home office. WAC 284-23-455(2)(b)
 - d) Providing complete replacement notices. WAC 284-23-455(2)(a)
 - e) Sending to the existing insurer a policy summary with the initial notice or at policy delivery. WAC 284-23-455(2)(b)

IT IS FURTHER ORDERED THAT, the Company file with the Chief Market Conduct Examiner, within 90 days of the date of this order, a detailed report specifying how the Company has addressed each of the requirements of this order.

ENTERED at Olympia, Washington, this 1st day of June, 2001.

MIKE KREIDLER
Insurance Commissioner

